

The Deficit, Foreign Policy and Defunding USAID

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Last week a group of [165 Republicans in the House of Representatives called for ending support for the United States Agency for International Development \(USAID\)](#). This would be an extraordinary move with extraordinary consequences as ending funding for USAID would severely hamper the ability of the U.S. to pursue much its foreign policy. Without USAID, U.S. foreign policy would largely be limited to defense, direct government assistance to foreign countries and diplomacy. Eliminating USAID would leave the U.S. with even fewer options in international politics, strip the country of much of its soft power and terminate programs which deliver effective foreign assistance in everything from health care to support for civil society organizations. Additionally, the savings would not be very substantial as the entire USAID budget for 2010 was around \$1.5 billion.

Eliminating USAID would have a strong policy impact and all but negligible fiscal one and would not be a good idea. It is also unlikely to happen, at least in the near future. Nonetheless, this statement by many Republican members of congress should be taken seriously because it reflects two related developments in the U.S. that will have major impacts on foreign policy if they become more important.

First, these 165 Republicans, including many who were elected in last November reflect a growing isolationist trend in the U.S. In many respects, the foreign policy cleavage between elites and non-elites is bigger than any similar difference based around party or ideology in the U.S. The American foreign policy establishment is broadly internationalist, believing in an activist role for the U.S. around the world, but ordinary Americans are increasingly suspicious of this. Some take this position because they are wary of America's role around the world; others because they think we should solve our problems at home first; and still others because they don't think we can afford it. The members of congress calling for defunding USAID were largely reflecting these views. If these views become more widespread, more politicians will be able to benefit from taking positions that support this idea.

Second, policy makers on both sides of the aisle will continue to focus more attention on the debt and look for ways to cut spending. Concern for the debt is something of a political issue in the U.S. as it is usually something that the president's party rarely talks about and that the opposition party frequently uses for political purposes. This partially describes what is going on in the U.S. now, but the deficit is also a serious problem which could get much worse if nothing is done. The problem is that all of the most efficient ways to address this issue such as raising taxes, cutting the defense budget or cutting entitlement programs are not politically feasible. This does not leave many real options, so invariably programs that are hard to understand or easily caricatured as wasteful will become targets for budget cutters, even if their overall fiscal impact is relatively minor.

USAID is precisely this kind of program. It has long been a potential target for any ambitious member of congress seeking to make a name for him or herself by drawing attention to some of the less successful programs funded for USAID or simply by questioning USAID's value in a simplistic way. While we should not eliminate the funding for USAID, we should not dismiss this proposal as simply grandstanding, although that is certainly part of the motivation behind it. This proposal is also the beginning of a process which is being facilitated by fiscal realities and public opinion that may lead to rethinking America's role in the world. American foreign policy as we know it cannot continue without USAID or something like it, but those who want to get rid of USAID probably don't want to continue American foreign policy as we know it. This is the debate for which supporters of USAID and an activist American foreign policy need to prepare.